Calendar No. 337

99TH CONGRESS
1st Session

SENATE

REPORT
99-148

A JOINT UNITED STATES-SOVIET EFFORT TO ACHIEVE WORLDWIDE DISEASE IMMUNIZATION BY 1990

OCTOBER 4 (legislative day, SEPTEMBER 30), 1985.—Ordered to be printed

Mr. LUGAR, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. Res. 227]

The Committee on Foreign Relations, to which was referred the resolution (S. Res. 227) urging a joint United States-Soviet effort to achieve worldwide disease immunization by 1990, having considered the same, reports favorably thereon with amendments and recommends that the resolution as amended do pass.

PURPOSE

The purpose of this Senate resolution is to urge that the United States and the Soviet Union "immediately undertake a formal commitment to initiate, using their own resources and those of other donors and appropriate multilateral agencies, a joint effort to bring the benefits of immunization to all children of the world by the year 1990."

BACKGROUND

Each day around the world, 40,000 children die—1,500 per hour, 25 per minute, 15 million each year. The horror of pervasive child death by poverty and disease is real. But so too is the world's ability to diminish this continuing scourge. As many as half of these children could now be saved through the basic preemptive remedy of immunization against the six major diseases—measles, diphtheria, whooping cough, tetanus, tuberculosis, and polio.

The international community's collective ability to exterminate a disease through immunization was demonstrated in the successful worldwide campaign waged against smallpox in the 1960's and

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1970's, which totally ended that scourge by 1980. Continued progress against disease, however, is by no means inevitable. Although childhood death rates in poor countries were reduced by one-third in the two decades from 1950 to 1970, the 15 years since 1970 have seen virtually no further gain.

Yet remarkable progress has come within reach. Immunization technology has advanced such that, given the political will and the resources, all children in the world could be immunized against the six major diseases by 1990. Nor are the necessary resources beyond the capacity of the developed nations to provide. According to informed estimates, a multi-disease immunization program would require only about $5 per child—a few cents for the vaccine, the remainder for necessary costs of transporting vaccine in a "cold chain" and the administration of injections. Thus, with 100 million children born in the developing countries each year, a full global immunization program once underway, would require little more than $500 million annually. Initial costs would, of course, be somewhat higher due to the need to "catch up" with the many children not yet immunized.

Two examples provide some perspective on the current catastrophic rate of child death from immunizable diseases. In El Salvador, child fatalities from immunizable disease have continued to occur at a greater rate than total war fatalities.

In India, the chemical disaster in Bhopal recently killed an estimated 2,000 people. More children die from immunizable diseases in that country each day.

Nor does saving children around the world offer only a short-term gain, accompanied by the long-term liability of an inexorably expanding population. In the short run, a decline in child mortality obviously results in population expansion. But reduced child mortality is crucial to attaining the level of economic development associated with reduced rates of population growth. Thus, ending the six major diseases represents a huge step toward reducing human misery around the world, not only immediately but also in the long term.

COMMITTEE ACTION

On September 1, during a Senate delegation meeting in Moscow with Soviet General Secretary Gorbachev, Senator Pell broached the concept of a joint United States-Soviet world immunization effort as a cooperative superpower measure that could serve mankind while helping to create a basis for improved East-West relations.

On September 24, Senator Pell, on behalf of himself and Senator Lugar, introduced Senate Resolution 227 urging creative diplomacy to bring about such a joint superpower initiative. On that same day, the Committee on Foreign Relations met and voted unanimously to report the resolution favorably with an amendment calling for studies of the demographic consequences of expanded immunization efforts.

COMMITTEE COMMENTS

The goal of achieving worldwide disease immunization by 1990 was recently affirmed by Congress in fiscal year 1986 Foreign Assistance Act.

The Pell-Lugar resolution reaffirms this goal and suggests that cooperation in this sphere might provide a model for cooperation in other areas. Accordingly the resolution states:

> That the United States and the Soviet Union would immediately undertake a formal commitment to initiate, using their own resources and those of other donors and appropriate multilateral agencies, a joint effort to bring the benefits of immunization to all children of the world by the year 1990; * * * and
>
> That this joint world immunization effort should be undertaken in a spirit of common dedication to a transcending humanitarian purpose, and with the practical hope that such constructive collaboration may also serve as a model for further superpower cooperation.

A joint United States-Soviet world immunization effort would draw upon the superpowers' strength in technology and resources. Unlike development activities, immunization efforts do not have an inherent geopolitical dimension: they involve no vested or strategic interest in any particular Third World regime. Immunization requires only that politically neutral medical teams enter those countries in need and do the job. Existing multilateral agencies, which are already involved, could administer much of this worldwide program, and other nations and private organizations would be called upon to contribute resources. The thrust would come from the superpowers acting in constructive partnership.

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Calendar No. 343

99TH CONGRESS
1st Session

SENATE

REPORT
99-156

OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1985

OCTOBER 10 (legislative day, SEPTEMBER 30), 1985.—Ordered to be printed

Mr. LUGAR, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany S. 947]

The Committee on Foreign Relations, to which was referred the bill (S. 947) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

PURPOSE

The principal purpose of S. 947, as amended, is to renew and extend the authority of the Overseas Private Investment Corporation (OPIC) to issue insurance, reinsurance, and guarantees for projects in friendly developing nations until September 30, 1989, and to make certain modifications to the current authorities of the Corporation as currently provided in Part I, Chapter 2 of the Foreign Assistance Act of 1961.

BACKGROUND

OPIC's structure and authority to operate are provided for in Part I, Title IV of the Foreign Assistance Act of 1961. OPIC is a wholly owned government corporation which operates on a self-sustaining basis. Its mandate is to foster economic development in friendly developing nations by encouraging U.S. private investment abroad. It accomplishes this by providing qualified U.S. investors with insurance against certain political risks (war, revolution, insurrection, civil strife, expropriation, and inconvertibility of currency); with loan guaranties; direct loans to small businesses and coop-

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eratives, and a variety of preinvestment and investment encouragement programs.

OPIC is currently authorized in the FAA to have outstanding, at any one time, up to $7.5 billion in political risk insurance, $750 million in guaranties, and to make loans to small business and cooperatives from its Direct Investment Fund (DIF) of up to a maximum of $91 million, although lower annual ceilings are placed on DIF in annual appropriations acts. As of September 30, 1984, OPIC had outstanding commitments of $397 million in guaranties and $4.4 billion in insurance. Last year loans from the DIF were limited to $10 million, but this figure has been raised to $15 million for fiscal year 1985.

OPIC currently operates its programs in over 100 developing nations. With certain exceptions, OPIC programs are restricted in developing countries with per capita incomes (in 1979 dollars) of $2,950 or more, and OPIC is expected to give special consideration to proposed investments in least developed countries, with per capita incomes (in 1979 dollars) or $680 or less.

All of OPIC's programs are intended to provide a strong developmental component to recipient countries, while at the same time avoiding those investments which will have a negative impact on the economy and particularly on U.S. jobs.

Major Provisions

In addition to extending OPIC's issuing authority another four years until September 30, 1989 the bill as amended also makes the following amendments to OPIC's existing authority:

It updates the 1979 per capita limitations contained in section 231 of the act to reflect 1983 dollars, but makes no change in the eligibility of countries for OPIC programs under this section;

It increases the percent of the maximum contingent liability of investment guarantees which OPIC is permitted to have outstanding to any one investor (usually a bank) from 10 percent to 15 percent, in order to provide increased flexibility for those entities which have used the investment guarantee program and which are likely to reach the 10% ceiling before 1989;

It provides authority to OPIC to retain, as appropriate, a firm or firms of nationally recognized public accountants to carry out the corporation's annual audits and prepare financial statements;

Codifies in law the tax exempt status of the corporation;

Amends section 708 of title 18 of the United States Code to reserve to OPIC the exclusive use of its name and authorize penalities for violations;

Creates a new pilot program of facultative reinsurance in order to encourage greater availability of political risk insurance for eligible investors;

Adds a prohibition against OPIC's operating any of its programs in countries which fail to take steps to adopt and implement internationally recognized worker rights, but provides a presidential waiver for such prohibition in any country for which the President determine OPIC programs would serve the

national economic interest of the United States and so reports to Congress.

Committee Action

On April 18, Senator Lugar introduced (by request) S. 947. The Committee on Foreign Relations held a hearing on the bill on July 25, 1985 and receive testimony from the Honorable Craig Nalen, President of OPIC; Mr. Francis DeMayo, Vice President, Resolute Reinsurance; Mr. W. Michael McDonald, Risk Manager, United Technologies Corporation; Mr. Rudy Oswald, Director of Economics and Research, AFL-CIO; and Mr. Charles S. Pearson, Project Director, World Resources Institute. The Committee began consideration of the billion September 24, and completed action on October 1 when it voted to report the bill favorably with an amendment by a vote of 11 ayes and 3 nays. Members voting in the affirmative were: Senators Lugar, Mathias, Kassebaum, Boschwitz, Pressler, Murkowski, Trible, Evans, Biden, Dodd, and Kerry. Senators voting in the negative were: Senators Pell, Sarbanes, and Zorinsky.

Committee Comments

During consideration of S. 947 the Committee considered all of the amendments which OPIC was seeking to its statute, as contained in S. 947 and recommended that the Senate authorize a number of them. However, the Committee decided to delete from the bill a number of changes which OPIC was seeking to its statute. It rejected the request by OPIC for an increase in the number of its personnel who would be exempted from civil service laws vis-a-vis hiring and firing. The Committee believes that the 20 positions which are already exempted by statute are more than adequate to meet any special needs OPIC believes it has in attracting professionals to the Corporation. The Committee believes that OPIC had provided no good justification for why an additional 30 positions need to be exempted from civil services procedures.

The Committee also denied OPIC's request for authority to provide a new category of potential loss, namely loss due to "business interruption" because it believes that the Corporation does not have a clearly defined idea of what such coverage would entail, or the potential losses associated with such coverage.

The Committee also refused to exempt OPIC's risk pooling arrangements with other countries' OPIC-like organizations from the requirements of section 231 which mandates that any project insured or reinsured by OPIC must have positive developmental effects and have no adverse effects on the U.S. economy. The Committee notes that OPIC's primary mission, to foster the flow of investment to friendly developing countries without causing injury to the United States, is one which should apply to whatever activity OPIC undertakes.

Finally, the Committee refused to modify the current definition of "eligible investor" which is currently defined as U.S. persons or entities substantially owned by U.S. citizens to one which would be left open to the discretion of OPIC's board. The Committee believes that the current definition adequately meets the needs of U.S. citi-

zens seeking to avail themselves of OPIC programs, and that no change in the definition is necessary or advisable.

During the consideration of an amendment offered by Senator Sarbanes which permits OPIC to operate only in countries which are taking steps to adopt and implement internationally recognized worker rights, the Committee noted that the definition of internationally recognized worker rights is as defined in Section 502(a)(4) of the Trade Act of 1974 as amended: the right of association; the right to organize and bargain collectively; a prohibition on the use of force or compulsory labor; a minimum age for the employment of children; and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health. It was noted that these rights are guaranteed to all Americans under domestic law.

Senator Sarbanes explained that the history of this provision dated back to 1984 Congressional consideration of renewal of the President's authority to continue to provide preferential trade treatment to developing countries under so called GSP. At that time Congress adopted a provision requiring the status of worker rights to be taken into account in determining whether to consider a country eligible for GSP treatment. This provision reflected the concern of many in Congress that a country's denial of worker rights could give that country an unfair advantage in export sales and in attracting investment that might otherwise be used to generate jobs in the United States. Despite the fact that Congress viewed renewal of GSP in the overall foreign policy interest of the United States, it also decided to send a signal that countries could no longer take this as a matter of right. This was not a concession which Congress believed should be granted to a country which artificially holds down wages by suppressing worker rights as a matter of government policy.

The Committee believes that a similar approach makes sense with respect to operations of the Overseas Private Investment Corporation.

Senator Sarbanes made clear in explaining his amendment that it would not interfere with the decisions of private companies who wish to invest in any developing country. It would simply remove the U.S. stamp of approval, and more importantly the U.S. security umbrella for investments in countries which continue to deny basic rights to their citizens.

The Committee noted that the language of the amendment, "taking steps to," was open to some interpretation and would expect OPIC to be guided by the representatives from the Departments of State and Labor who sit on OPIC's Board in applying this provision. These two individuals will be most familiar with the specific conditions in each of the developing countries with respect with worker rights, since the Department of State and Labor are charged with collecting the information and preparing the report required under Section 505(c) of the Trade Act of 1974, as amended which now mandates as annual report on worker rights.

In addition to the flexibility provided by the words, "taking steps to," the Committee believed that additional flexibility should be provided to the President with respect to the prohibition. Therefore, the Committee provided the President with waiver authority

to be used on a country-by-country basis provided the President determines that the operation of OPIC programs in a particular country is in the national economic interest of the United States and reports his reasons for such determination to Congress.

Section-by-Section Analysis

SECTION 1—SHORT TITLE

This section cites this act as the "Overseas Private Investment Corporation Amendments Act of 1985."

SECTION 2—POLICY

This section amends Section 231 of the Foreign Assistance Act of 1961 to update the per capita income country limitations from 1979 dollars to 1983 dollars.

SECTION 3—ADDITIONAL REQUIREMENTS; WAIVER AUTHORITY

This section adds a new Section 231A to the FAA which places a prohibition on OPIC activities in countries which fail to take steps to adopt and implement internationally recognized worker rights. In addition, subsection (c) of 231(a) provides waiver authority to the President which permits OPIC to operate in a country otherwise prohibited by Section 231A (a) if it is found to be in the national economic interest of the United States and so reported to Congress.

SECTION 4—INVERSTMENT GUARANTEES

This section amends Section 234(b) of the FAA to increase from the current 10 percent to 15 percent the limit on investment guarantees coverage which OPIC may have outstanding to any single investor. The Committee in considering the original amendment in the bill decided to increase this ceiling by only 15% rather than the 25% requested by OPIC because it felt that prudential as well as policy considerations dictated that the lower figure would be wiser. The Committee particularly wants to encourage OPIC to seek out additional participants for this program so that it will continue whether or not one or two of its investors have reached the ceiling.

SECTION 5—FACULTATIVE REINSURANCE PROGRAM

This section creates a new Section 234A in the act which directs OPIC to establish within a year of enactment of this section a pilot program for facultative reinsurance. This program is intended to provide reinsurance (on a case-by-case or risk-by-risk basis) to private insurance companies, financial institutions and other investors eligible for OPIC insurance, for insurance issued by them for new investments and the expansion of existing investments. The investment or project must be consistent with the statutory requirements which govern OPIC's other programs.

This section also establishes an advisory group with representatives to be selected from interested industries such as insurance, reinsurance, underwriting, and financial institutions to name a few.

The program is limited at this time to $150 million on a worldwide basis and to $50 million in any one country. If these levels are reached well before the next reauthorization period, the Committee would always be willing to consider reviewing these figures in the course of its regular consideration of annual foreign assistance authorization legislation.

SECTION 6—ISSUING AUTHORITY

This section renews OPIC's authority to issue insurance, reinsurance, and guarantees through September 30, 1989.

SECTION 7—AUDITS

This section permits the Corporation to retain the services of an independent certified public accountant to perform audits and prepare financial statements. It does not preclude the General Accounting Office from carrying out this function as well, if it deems necessary or is so directed by Congress. The Committee notes that it is its understanding that the Corporation would consider retaining such private accountants if it could do so at lesser cost than is currently incurred in the course of General Accounting Office audits and preparation of financial statements.

SECTION 8—EXEMPTION FROM TAXATION

This section amends Section 239 of the Foreign Assistance Act by adding a new subsection (j) which codifies the tax exempt status of the Corporation within the FAA.

SECTION 9—MISUSE OF CORPORATE NAME

This section amends Section 709 of Title 18 of the United States Code, to reserve the name Overseas Private Investment Corporation for OPIC and to make it unlawful, and subject to penalties for any other person or entity which uses the name.

SECTION 10—REPEALS

This section repeals two sections of the FAA which are no longer operative.

Cost Estimate

Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate requires that committee reports on bills or joint resolutions contain a cost estimate for such legislation in the fiscal year it is reported and in each of the following 5 years. The Congressional Budget Office has prepared the following estimate for S. 947.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 4, 1985.

Hon. RICHARD G. LUGAR,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN. The Congressional Budget Office has prepared the attached cost estimate on S. 947, the Overseas Private Investment Corporation Amendments Act of 1985, as ordered reported by the Committee on Foreign Relations on October 1, 1985.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

JAMES BLUM
(For Rudolph G. Penner).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 947.

2. Bill title: Overseas Private Investment Corporation Amendments Act of 1985.

3. Bill status: As ordered reported by the Senate Committee on Foreign Relations on October 1, 1985.

4. Bill purpose: This bill amends the Foreign Assistance Act of 1961 to extend the Overseas Private Investment Corporation's authorization to issue insurance and guarantee loans through September 30, 1989. Additionally, the bill requires OPIC to establish a reinsurance program and to hold annual public hearings and otherwise amends existing law.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1986	1987	1988	1989	1990
Estimated program levels:					
Guaranteed loans	150	156	163	170	0
Insurance	4,200	4,381	4,565	4,746	0
Estimated Outlays	−3	−14	−28	−34	−40

Costs for this bill fall within budget function 150.

Basis of estimate: This estimate assumes enactment of this legislation by October 31, 1985. OPIC's authority to issue insurance and to guarantee loans was temporarily suspended September 30, 1985 until the enactment date. The corporation can continue to invest and make direct loans during this period. This estimate does not assume any significant decrease in revenue in fiscal year 1986 due to the late enactment date. However, if enactment is delayed beyond October, OPIC estimates a revenue loss of $250,000 per month for the duration.

Estimated program levels assume no real growth through fiscal year 1989. Included in outlays are OPIC's estimates of annual costs of $150,000 for the reinsurance program and $40,000 for the public hearings.

6. Estimated cost to State and local government: None.
7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Lisa R. Brown.
10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

Evaluation of Regulatory Impact

In accordance with Rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the Committee has concluded that there is no regulatory impact from S. 947.

Changes in Existing Law

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

The Foreign Assistance Act of 1961, As Amended

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Part I

CHAPTER 2—OTHER PROGRAMS

* * * * * * *

TITLE IV—OVERSEAS PRIVATE INVESTMENT CORPORATION

Sec. 231. Creation, Purpose and Policy.—

* * * * * * *

(1) * * *

(2) give preferential consideration to investment projects in less developed countries that have per capita incomes of [$680 or less in 1979 United States dollars] *$896 or less in 1983 United States dollars,* and restrict its activities with respect to investment projects in less developed countries that have per capita incomes of [$2,950 or more in 1979 United States dollars] *$3,887 or more in 1983 United States dollars.*

Sec. 231(m). * * *

Sec. 231A. (a) The Corporation may insure, reinsure, guarantee, or finance a project only if the country in which the project is to be undertaken is taking steps to adopt and implement laws that extend internationally recognized worker rights, as defined in section 502(a)(4) of the Trade Act of 1974 (19 U.S.C. 2462(a)(4)), to workers in that country (including any designated zone in that country). The Corporation shall, in making its determinations under the preceding sentence, use the reports submitted to the Congress pursuant to section 505(c) of the Trade Act of 1974 (19 U.S.C. 2465(c)). The restriction set forth in the first sentence of this subsection shall not apply until the first such report is submitted to the Congress.

(b) The Board shall hold at least one public hearing each year in order to afford an opportunity for any person to present views as to whether the Corporation is carrying out its activities in accordance with section 231 and this section or whether any investment in a particular country should have been or should be extended insurance, reinsurance, guarantees, or financing under this title.

(c) This section shall not prohibit the Corporation from providing any insurance, reinsurance, guaranty, or financing with respect to a country if the President determines, and so reports in writing to the Congress, together with his reasons therefor, that such activities by the Corporation would be in the national economic interests of the United States.

SEC. 234. INVESTMENT INSURANCE AND OTHER PROGRAMS.—(a) * * *

(b) INVESTMENT GUARANTIES.—To issue to eligible investors guaranties of loans and other investments made by such investors assuring against loss due to such risks and upon such terms and conditions as the Corporation may determine: Provided, however, That such guaranties on other than loan investments shall not exceed 75 per centum of such investment: Provided further, That except for loan investments for credit unions made by eligible credit unions or credit union associations, the aggregate amount of investment (exclusive of interest and earnings) so guaranteed with respect to any project shall not exceed, at the time of issuance of any such guaranty, 75 per centum of the total investment committed to any such project as determined by the Corporation, which determination shall be conclusive for purposes of the Corporation's authority to issue any such guaranty: Provided further, That no more than [10 per centum] *15 per centum* of the maximum contingent liability of investment guaranties which the Corporation is permitted to have outstanding under section 235(a0(2) shall be issued to a single investor.

SEC. 234(f) * * *

SEC. 234A. FACULTATIVE REINSURANCE PROGRAM.—(a)(1) In order to encourage greater availability of political risk insurance for eligible investors, the Corporation shall establish, not later than one year after the date of the enactment of the Overseas Private Investment Corporation Amendments Act of 1985, a pilot program of facultative reinsurance. Such program shall provide reinsurance to insurance companies, financial institutions, other persons, or groups thereof, with repect to insurance issued by such companies, institutions, persons, or groups for new investments, and expansions of existing investments, by eligible investors, in excess of limits which the Corporation would otherwise normally apply with respect to such investments.

(2) The exposure of the Corporation under the facultative reinsurance program established under paragraph (1) at any one time may not exceed $150,000,000 or, with respect to any one country, $50,000,000.

(3) Contracts of reinsurance issued under the program esstablished under paragraph (1) shall be on equitable terms. Such program and any project covered by reinsurance under such program shall be consistent with the provisions of this title. The Corporation shall take

steps to encourage equitable participation in such program by all eligible persons.

(b) An insurance company, financial institution, or other reason shall be eligible to participate in the reinsurance program established under subsection (a) if that company, institution, or other person is an eligible investor under this title.

(c)(1) The Corporation shall establish a group to advise the Corporation (hereafter in this subsection referred to as the "advisory group") on the development and implementation of the program of facultative reinsurance under this section. The advisory group shall be composed of 9 members as follows:

(A) These officers or employees of the Corporation designated by the Board.

(B) Four persons appointed by the Board, of whom at least one shall represent an insurance company, one a reinsurance brokerage firm, and one an underwriter, a financial institution, or other person or entity eligible for the facultative reinsurance program under this section. In selecting such persons, the Board shall consider their previous active involvement in the field of political risk insurance or reinsurance and shall consult with any major organizations representing insurance, reinsurance, and brokerage institutions as to the suitability of the respective candidates to represent their industry.

(C) Two persons appointed by the Board from among persons who are eligible investors, other than persons described in subparagraph (B).

(2) The advisory group shall advise the Corporation on the development and implementation of the facultative reinsurance program under this section, including ways to ensure equitable participation in the program by all eligible persons.

(3) The advisory group shall meet not later than 180 days after the date of the enactment of the Overseas Private Investment Corporation Amendments Act of 1985, and not less than once every 180 days thereafter.

(4) The advisory group shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

(d) The Corporation shall, not later than 18 months after the date of the enactment of the Overseas Private Investment Corporation Amendments Act of 1985, submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the implementation of the facultative reinsurance program established under subsection (a).

SEC. 235[(a)(4). * * *

(5) The authority of section 234(a) and (b) shall continue until September 30, [1985] *1989.*

SEC. 239. GENERAL PROVISIONS AND POWERS.—(a) * * *

* * * * * * *

"(c)(1) The Corporation shall be subject to the applicable provisions of chapter 91 of title 31, United States Code, except as otherwise provided in this title.

"(2) An independent certified public accountant shall perform a financial and compliance audit of the financial statements of the Corporation at least once every 3 years, in accordance with generally

accepted Government auditing standards for a financial and compliance audit, as issued by the Comptroller General. The independent certified public accountant shall report the results of such audit to the Board. The financial statements of the Corporation shall be presented in accordance with generally accepted accounting principles. These financial statements and the report of the accountant shall be included in a report which contains, to the extent applicable, the information identified in section 9106 of title 31, United States Code, and which the Corporation shall submit to the Congress not later than 6½ months after the end of the last fiscal year covered by the audit. The General Accounting Office may review the audit conducted by the accountant and the report to the Congress in the manner and at such times as the General Accounting Office considers necessary.

(3) In lieu of the financial and compliance audit required by paragraph (2), the General Accounting Office shall, if the Office considers it necessary or upon the request of the Congress, audit the financial statements of the Corporation in the manner provided in paragraph (2). The Corporation shall reimburse the General Accounting Office for the full cost of any audit conducted under this paragraph.

(4) All books, accounts, financial records, reports, files, workpapers, and property belonging to or in use by the Corporation and the accountant who conducts the audit under paragraph (2), which are necessary for purposes of this subsection, shall be made available to the representatives of the General Accounting Office.

SEC. 239. (a).

* * * * * * *

(j) *The Corporation, including its franchise, capital, reserves, surplus, advances, intangible property, and its income, shall be exempt from all taxation at any time imposed by the United States, by any territory, dependency, or possession thereof, or by any State, the District of Columbia, or any country municipality, or local taxing authority.*

TITLE 18 United States Code

SEC. 709.

* * * * * * *

Whoever, except with the written permission of the Director of the Federal Bureau of Investigation, knowingly uses the words "Federal Bureau of Investigation" or the initials "F.B.I.", or any colorable imitation of such words or initials in connection with any advertisement, circular, book, pamphlet or other publication, play, motion picture, broadcast, telecast, or other production, in a manner reasonably calculated to convey the impression that such advertisement, circular, book, pamphlet or other publication, play, motion picture, broadcast, telecast, or other production, is approved, endorsed, or authorized by the Federal Bureau of Investigation; or

Whoever uses as a firm or business name the words "Overseas Private Investment", "Overseas Private Investment Corporation", or "OPIC"; or

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TITLE 22 United States Code

* * * * * * *

[SEC. 240B. RETURN OF APPROPRIATED FUNDS.

The Corporation shall return to the general fund of the Treasury, in a manner consistent with the objectives set forth in section 231, amounts equal to the total amounts which were appropriated to the Corporation before January 1, 1975, pursuant to section 235(f). In order to carry out the preceding sentence, the Corporation shall, in each fiscal year, pay to the Treasury an amount equal to 25 per centum of the net income of the Corporation for the preceding fiscal year, after making suitable provisions for transfers to reserves and capital, until the aggregate amount of such payments equals the amounts required to be returned to the Treasury by the preceding sentence.]

TITLE 22 UNITED STATES CODE

* * * * * * *

[Section 9(b) of Pub. L. 97-65 directed that the Overseas Private Investment Corporation prepare and submit to the Congress, not later than June 30, 1982, a report on methods for estimating the probability that particular investments or types of investments might or might not be made if insurance or other support by the Corporation was not provided. The report was to review methods of taking into consideration the availability of insurance in the private sector as well as the self-insurance capabilities of investors, was to include recommendations on how the Corporation could incorporate consideration of such estimates when deciding which investments to support, particularly if not all applications of eligible investors could be approved, and was to be based on studies conducted by persons who were not officers or employees of the Corporation as well as on studies conducted by the Corporation.]

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